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MAYOR JERRY SANDERS FACT SHEET

TO BUILD OR NOT BUILD A NEW CIVIC CENTER

Sanders Calls for Exclusive Negotiations with Developer to Determine if Building New City Hall Makes Financial Sense

For Mayor Jerry Sanders, the issue of whether or not a new civic center should be built will come down to whether it makes financial sense for taxpayers.

To find out whether it does, Sanders today called on the city council to give him authority to enter into exclusive negotiations with the developer that has been chosen to construct a new civic center should the decision be made to proceed.

“Let me be clear: for me, this is a business decision,” said Sanders. “I cannot justify spending the taxpayers’ money on costly downtown leases if there is a cheaper option available. I want to spend the people’s money on city services, not rent. And I won’t push the problem into the future for someone else to solve.”

Sanders, who believes the issue should ultimately be decided by voters, also laid out a broader set of criteria that must be met in order for him to endorse the project.

- The project must save the city money every fiscal year compared to Carl DeMaio’s “hold steady” alternative’s costs.
- The project must have a positive impact on the city’s general fund.

- The developer must be responsible for financial risk, such as cost overruns and construction delays
- The project must preserve the Civic Theater.
- The developer must agree to cooperate with the city auditor on any city audits.
- The developer must agree to cooperate with a city-sanctioned citizen oversight committee.
- The new buildings must be state-of-the-art examples of environmentally friendly construction.

A recent analysis conducted by consultant Jones, Laing, LaSalle of Washington, DC concluded that maintaining and repairing the existing civic center, while continuing to lease office space – known as the “hold steady” option – could cost up to \$216 million over ten years. The alternative – to build a new civic center – could cost between \$179 million and \$231 million during the same period.

However, over 15 years, constructing a new civic center could be more cost effective. That option could cost between \$338 million and \$399 million compared to \$416 million for the “hold steady” alternative.

Over 50 years, a new civic center could be more cost effective as well. That option could cost between \$554 million and \$600 million, while the “hold steady” option could cost \$790.

The issue will be heard by the city council’s Rules Committee on Wednesday. It is then expected to go before the full city council in July.

The project, proposed by Gerding Edlen Development of Portland, OR, calls for the construction of a new 33-story tower to house city operations and city staff.

3,000 of the city’s roughly 10,000 employees work in downtown San Diego – 1,000 of which work at the civic center and 2,000 in leased office space. Each year, the city spends approximately \$13 million on downtown office leases.

The civic center was opened in 1964. Today, it is in poor shape. It lacks an adequate fire sprinkler system, and is in need of asbestos abatement and roof replacement.

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